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# BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:
Ashton Post Office
Ashton, IA 51232

Docket No. A2012-97

## UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (February 2, 2012)

On December 9, 2011, the Postal Regulatory Commission (Commission) received correspondence from postal customers Brian D. Mino, President and CEO of Ashton State Bank, and Melvin Tiedemann, Mayor of Ashton, objecting to the discontinuance of the Post Office in Ashton, Iowa. Another petition for review was received on December 13, 2011 from postal customer Alfreda Verdoorn. On December 29, 2011, the Commission issued Order No. 1085, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1085, the administrative record was filed with the Commission on December 27, 2011. On January 13, 2012, Petitioners Mino and Tiedemann each filed a Participant Statement, Form 61, in support of the petition. On January 17, 2012 the Commission received a letter from Congressman Steve King asking that the appeal of the closure of the Ashton Post Office be given due consideration under the law.

<sup>&</sup>lt;sup>1</sup> The City of Ashton's Participant Statement was accepted by the Commission on January 13, 2012. In it, Petitioner claims that the City received a notice on January 10, 2012 which was dated January 4, 2012 regarding the appeal of the Postal Service's determination to close the Ashton Post Office. The City states that "[t]he deadline to submit an argument was January 13... [and they] do not feel that [they] were given an adequate amount of time to respond." The Commission received and accepted arguments from the public even after January 13, 2012, and the Postal Service does not intend to move to strike any documents submitted by Petitioners through the date prior to the date of this filing.

Additionally, the Commission received a letter from Senator Tom Harkin on January 23, 2012 expressing his support for the City of Ashton's appeal.

The correspondence received by the Commission raises three issues: (1) the impact upon the provision of postal services, (2) the effect on community, and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,<sup>2</sup> the Postal Service gave consideration to a number of other issues,<sup>3</sup> including the impact upon postal employees. Accordingly, the determination to discontinue the Ashton Post Office should be affirmed.

## **Background**

The Final Determination To Close the Ashton, IA Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Ashton Post Office provides EAS-11 level service to 147 Post Office Box customers, retail customers, and no delivery customers 20.75 hours per week. FD, at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1; Item No. 33, Proposal Exhibit, at 2.4 The Postmaster of the Ashton Post Office was reassigned on August 9, 2006. FD, at 2. Since the postmaster vacancy has

<sup>&</sup>lt;sup>2</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>&</sup>lt;sup>3</sup> Petitioners assert that Ashton has a population greater than 95.56% of the Post Offices in Iowa being studied for closure. Petitioners claim that this is a significant factor in why the Ashton Post Office should not be closed. However, as described in the record, multiple factors inform the decision to discontinue the Ashton Post Office. Among these are postmaster vacancy, minimal workload, low office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), and the expected financial savings. Furthermore, although Petitioners point to current population statistics, the Postal Service has incorporated forward looking numbers in determining to close the Ashton Post Office. Item No. 16, Community Survey Sheet, at 1. There is no expected population, residential, commercial or business growth in the area. *Id.* 

<sup>&</sup>lt;sup>4</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_."

arisen, an Officer-in-Charge (OIC) has been installed to operate the office. The noncareer postmaster relief may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility. FD, at 8. The record shows that no other employee would be adversely affected by this closing.<sup>5</sup> The average number of daily retail window transactions at the Ashton Post Office is 11, accounting for 12 minutes of daily retail workload. FD, at 2. Additionally, revenue has generally been low: \$36,534.00 in FY 2008 (95 revenue units); \$31,557.00 in FY 2009 (82 revenue units); and \$31,612.00 (82 revenue units) in FY 2010.<sup>6</sup> The Ashton Post Office has two permit mailers and no postage meter customers. FD, at 2; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Sibley Post Office,<sup>7</sup> an EAS-18 level office located eight miles away, which has 127 available Post Office Boxes. FD, at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Ashton Post Office were considered and properly addressed by the Postal Service.<sup>8</sup> The Postal Service gave customers

<sup>&</sup>lt;sup>5</sup> FD, at 2, 11; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal to Close the Ashton, IA Post Office and Establish Service by Rural Route Service ("Proposal"), at 2, 10.

<sup>&</sup>lt;sup>4</sup> FD, at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 2. <sup>5</sup> The Sibley Post Office is not part of the candidate facilities on the RAOI. See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, available at <a href="http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-">http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-</a>

<sup>1&</sup>amp;docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=

8 Petitioners claim that in April 2010, Garry Mattox of the Western Area held a public meeting in which he allegedly "wanted Ashton to have a new 5 year lease so [Ashton] would not get caught up" in the "changes coming [to] the postal service." Petitioners assert that "postal officials felt the Ashton location merited continuance by their insistence on extending the lease." However, the lease for the Ashton Post Office was a year-to-year lease until it expired on October 14, 2011. The field coordinator for the Ashton

advance notice of its intentions and its determination. In addition to the posting of the Proposal and FD, customers received notice through other means. Three hundred eighty-five Questionnaires were distributed to delivery customers of the Ashton Post Office. Questionnaires were also available over the counter for retail customers at the Ashton Post Office. FD, at 2; Item No. 23, Postal Service Customer Questionnaire Analysis at 1. A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Ashton Post Office was warranted, and whether effective and regular service could be provided through rural route delivery and retail services available at the Sibley Post Office. Item No. 21, Letter to Customer, at 1. The letter then invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. *Id.* The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at Ashton Community Center for a community meeting on May 2, 2011 to answer questions and provide information to customers. FD, at 2; Item No. 21a, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal through postings at the Sibley and Ashton Post Offices, and through postings of the FD at the same two

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Post Office has confirmed that although the lease was extended for five years effective October 15, 2011, the lease includes a 60 day termination clause. Item No. 15, Post Office Survey Sheet, at 1. Furthermore, the renewed lease went into effect after the Proposal to Close the Ashton, IA Post Office was posted, as the Proposal to close the Ashton Post Office was posted with an invitation for public comment from July 11, 2011 to September 11, 2011. Not long thereafter, the FD was posted at the Sibley and Ashton Post Offices from November 7, 2011 to December 9, 2011. The community, therefore, had ample notice of the Postal Service's intention to close the facility.

offices. The Proposal was posted with an invitation for public comment from July 11, 2011 to September 11, 2011. 9 as confirmed by the round-dated Proposal cover sheets that appear in the administrative record. FD, at 2; Item No. 33, Proposal, at 2; Item No. 36, Round-date Stamped Proposals and Invitations for Comments from Affected Offices, at 1-4; Item No. 38, Postal Service Response Letter, at 1. The FD was posted at the Sibley and Ashton Post Offices from November 7, 2011 to December 9, 2011. FD, at 1; Item No. 49, Round-date Stamped Final Determination Cover Sheets, at 1-2.

In light of a postmaster vacancy; minimal workload; low and declining office revenue; 10 the variety of delivery and retail options (including the convenience of rural delivery and retail service); 11 no expected population, residential, commercial or business growth in the area; 12 minimal impact upon the community; and the expected financial savings, 13 the Postal Service issued the FD. 14 Regular and effective postal services will continue to be provided to the Ashton community in an effective manner upon implementation of the final determination. FD at 2, 11.

Each of the issues raised by Petitioners is addressed in the paragraphs which follow.

<sup>&</sup>lt;sup>6</sup> The Ashton, IA Post Office Discontinuance action was conducted under regulations in the prior version of Handbook PO-101.

See note 4 and accompanying text.

<sup>&</sup>lt;sup>8</sup> FD, at 2; Item No. 33, Proposal, at 2.

<sup>&</sup>lt;sup>9</sup> FD, at 2, 9; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 2, 9.

<sup>&</sup>lt;sup>10</sup> FD, at 2, 9-10, 11; Item No. 17, Highway Contract Route Cost Analysis Form; Item No. 33, Proposal, at 2, 9, 10. <sup>11</sup> FD, at 11.

#### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Ashton Post Office on postal services provided to Ashton customers. The closing is premised upon providing regular and effective postal services to Ashton customers.

Petitioners raise the issue of the effect on postal services of the Ashton Post
Office's closing, noting the convenience of the Ashton Post Office and requesting its
retention. Petitioners express concern that it may be difficult for the elderly in the
community to travel to Sibley to pick up their mail. Petitioners also note that
"businesses as well as all of the residents are unsure whether they will have any postal
service [in Ashton] or not." Each of these concerns was considered by the Postal
Service.

Upon the implementation of the final determination, delivery and retail services to residents and businesses alike <sup>15</sup> will be provided by rural route delivery emanating from the Sibley Post Office, which is located eight miles away. FD at 2, 11. Although Petitioners express concern over the proposed route, the delivery route has been carefully reviewed to ensure that the most cost-efficient service is provided.

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<sup>&</sup>lt;sup>15</sup> Petitioner Nancy A. Marnach, Ashton City Clerk, claims that because "[n]o discussion with the City of Ashton has ever been held as to what would happen if the post office is closed... businesses as well as all of the residents are unsure whether they will have any postal services here or not." A dialogue between the Postal Service and the public commenced with a community meeting in May and the subsequent posting of the Proposal with an invitation for public comment on July 11, 2011, as confirmed by the round-dated Proposal cover sheets that appear in the administrative record. FD, at 2; Item No. 33, Proposal, at 2; Item No. 36, Round-date Stamped Proposals and Invitations for Comments from Affected Offices, at 1-4; Item No. 38, Postal Service Response Letter, at 1. As mentioned several times in the record, the Postal Service has assured the Ashton community that regular and effective postal services will continue to be provided to all postal patrons of the Ashton community, including its residents and local businesses. Furthermore, there is no indication that the business community will be adversely affected. FD, at 9; Item No. 33, Proposal, at 9. Most new businesses moving to the community do not depend on the location of a Post Office, but on the provision of effective and regular Postal Service— and this will be provided. *Id.* 

Unfortunately, while one office may be closer for some customers, it may be further away for others. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Sibley Post Office. The window service hours of the Sibley Post Office are from 8:30 a.m. to 4:30 p.m. Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. FD, at 2. Furthermore, special attention and assistance provided by the personnel at the Ashton Post Office will be provided by personnel at nearby Post Offices and the carrier.

The Postal Service has considered the impact of closing the Ashton Post Office upon the provision of postal services to Ashton customers. FD at 2-11; Item No. 33, Proposal, at 2-10. In his letters to Gail Duba, USPS Hawkeye District Manager, and Joni Martin, USPS Consumer Affairs Manager, Petitioner Mino states that "Ashton merits continued postal service." The record shows that the Postal Service thoughtfully concluded that it will be able to continue providing effective and regular postal services to postal patrons of the Ashton community even after the Ashton Post Office is discontinued. FD, at 2, 11.

The Postal Service understands Petitioners' concern regarding the late pickup of sensitive mail and the fact that the Bank cannot send and receive mail at the same time through the rural mail carrier. The Postal Service took account of this concern. In a response letter to Petitioner Mino, Kent Gochenour, Manager of Post Office Operations, stated that "the rural route carrier serving this area will have the route adjusted to accommodate the latest possible time for picking up outgoing mail." Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters. Mr. Gochenour relayed the fact that the Postal Service is currently studying the possibility of

adjusting the route serving Ashton to provide a pickup time of approximately 3:00 p.m. *Id.* Furthermore, as the Ashton Post Office has not been open past noon for several years, the Postal Service hopes that Sibley's window service hours, 8:30 a.m. to 4:30 p.m. Monday through Friday and 8:30 a.m. to 9:30 a.m. on Saturday, will help alleviate any hardship incurred. FD, at 2.

Petitioners note that hardships will befall the bank, library, the few businesses in Ashton, and the 147 box holders as they will "have to drive 15-20 mile trips to mail packages." However, as explained throughout the administrative record, carriers can perform many functions that will alleviate the need to travel to the Post Office for many services. Rural route delivery to customers provides similar access to many retail services, thereby stemming the need to travel to the Post Office for many services. FD, at 2, 3, 4, 5, 6, 7, 8, 9, 11; Item No. 33, Proposal, at 2, 3, 4, 5, 6, 7, 8, 9, 10. In fact, most transactions do not require meeting the carrier at the mailbox. FD, at 3. The rural carrier provides many of the services that are available at the Post Office. *Id.*Furthermore, many of the services offered are available the same day and do not require advance notice for the transaction to be completed. Services available from the carrier include mailing certain packages, purchasing postal money orders, and obtaining a variety of special services, including sending accountable mail. <sup>16</sup> FD, at 2, 3, 4, 5, 6.

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<sup>&</sup>lt;sup>12</sup> If the carrier attempts to deliver accountable mail and the addressee is unable to sign for the letter, the carrier will leave a Form 3849 informing the addressee that the carrier attempted to deliver an accountable letter, but was unable. The form indicates that the letter is available at the local Post Office or the addressee may request redelivery. The addressee is given the option to specify the date he or she would like the letter to be delivered, change the redelivery address to his or her workplace (if the work location is in the same town), or designate a friend, neighbor or family member to accept the letter and the carrier will deliver the letter to that individual (if the individual is in the same town). The original addressee may also receive the accountable item at the Sibley Post Office, Monday through Saturday during business hours or the addressee's designee may receive the letter at the Sibley Post Office, Monday through Saturday during business hours. The Postal Service makes available several options for customers that choose to utilize Rural Route service and receive accountable mail but are unable to be home during the week to sign for such mail.

7-8. Furthermore, carrier pickup is available and allows for scheduling the retrieval of packages at the same time as the carrier delivers the mail. FD, at 4.

Petitioners express concern that "[t]he City of Ashton has a large number of elderly residents and it would be a major hardship for them not to have a local post office." The Postal Service explained that carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes, thereby eliminating the need to travel to a Post Office. FD, at 4-5. The Postal Service will work with these customers to ensure that they receive regular and effective postal services. Special provisions are made for hardship cases and special customer needs. FD, at 5. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information. *Id.* 

Additionally, the Postal Service explained that it offers several convenient options which can save customers a trip to the Post Office. FD, at 2, 3, 4, 5, 6, 7-8; Item No. 33, Proposal, at 2, 3, 4, 5, 7-8, 9. If internet access is unavailable, stamps can be purchased by phone via a toll-free number, or by mail. FD, at 4, 7, 9; Item No. 33, Proposal, at 4, 7, 9. Additionally, customers can place their mail on hold and obtain other special services by calling a toll free number or visiting the Postal Service's website. *Id.* Furthermore, if internet access is available, customers can purchase stamps online through the Postal Service's website at www.USPS.com and print shipping labels with postage for Express Mail and Priority Mail.

Customers may also receive P.O. Box service from the administrative Post Office located eight miles away. Customers opting for carrier service will have 24-hour access

to their mail and will not have to pay post office box fees. FD, at 9. Should customers decide this option better suit their needs, they are also welcome to conduct postal business at the Sibley Post Office, or any other convenient Post Office location. FD, at 2. Thus, the Postal Service has properly concluded that all Ashton customers will continue to receive regular and effective service via rural route delivery.

## **Effect Upon the Ashton Community**

The Postal Service is obligated to consider the effect of its decision to close the Ashton Post Office upon the Ashton community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office. 17

Ashton is an incorporated rural community located in Osceola County. The Osceola County Sheriff's Department provides police protection. The community is administered politically by the Ashton Mayor and City Council, with fire protection provided by the Ashton Fire Department. FD, at 9; Item No. 33, Proposal at 9. The questionnaires completed by Ashton customers indicate that the retirees, commuters, self employed, and others who reside in Ashton travel to nearby communities for other supplies and services. See generally FD, at 9; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

facility." While this may well be the case, considerable time has passed since those deliberations occurred, and the Postal Service has evaluated the Ashton Post Office more recently in light of the

office's present circumstances in accordance with the statutory criteria of Title 39.

<sup>&</sup>lt;sup>17</sup> In his Participant Statement, Petitioner Mino states that "the [P]ostal [S]ervice has shown they believe Ashton, Iowa merits a post office." He states that sometime after 2005, discussions regarding the Ashton Post Office were held "concerning construction of a new facility as well as improvements to the temporary

Petitioner Mino expresses his belief that the Postal Service has "not adequately evaluated the needs of the community." The Postal Service has extensively considered the effect of the closing of the Ashton Post Office upon the Ashton community, as reflected in the administrative record. FD, at 2, 3, 4-5, 6, 7-8, 9, 11; Item No. 33, Proposal, at 2, 3, 4,, 5, 7-8, 9, 10. Senator Tom Harkin expresses "how essential postal services are to the vitality of [] communities and local businesses." The record explains that postal services will still be furnished to the residents and businesses of the Ashton community. The Postal Service explained that a community's identity derives from the interest and vitality of its residents. Residents may continue to meet informally, socialize, and share information at other businesses, churches and residences in town. FD, at 8. The Postal Service further notes that communities generally require regular and effective postal services and these will continue to be provided to the Ashton community. Additionally, carrier service is expected to be able to handle any future growth in the community. FD, at 2, 11; Item No. 33, Proposal, at 2, 10

In addition, the Postal Service has concluded that nonpostal services provided by the Ashton Post Office can be provided by the Sibley Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD, at 9; Item No. 33, Proposal, at 9. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Ashton Post Office on the community served by the Ashton Post Office.

## **Economic Savings**

Postal officials properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal

Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Ashton Post Office and would still provide regular and effective service. Item No. 21a, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Ashton Post Office are \$25,974.00. FD, at 10; Item No. 33, Proposal, at 10.

Petitioners question the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit; Petitioner Mino goes so far as to state his disagreement with the notion that "closing every post office in small communities is the answer." Here, however, a variety of factors inform the decision to discontinue the Ashton Post Office, including a postmaster vacancy, minimal workload, low office revenue, 18 the variety of delivery and retail options (including the convenience of rural delivery and retail service), <sup>19</sup> no expected population, residential, commercial or business growth in the area, 20 minimal impact upon the community, and the expected financial savings. 21 Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), in determining whether to close a post office, the Postal Service must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." In this case, the Postal Service analyzed, among other factors, the Ashton Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and

<sup>&</sup>lt;sup>13</sup> See note 4 and accompanying text.

<sup>&</sup>lt;sup>14</sup> FD, at 2; Item No, 33, Proposal, at 2.

<sup>&</sup>lt;sup>15</sup> FD, at 2, 9; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 2, 9.

<sup>&</sup>lt;sup>16</sup> FD, at 2, 9-10, 11; Item No. 17, Highway Contract Route Cost Analysis Form; Item No. 33, Proposal, at 2, 9, 10.

revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Petitioners suggest that additional costs associated with the rural route need to be factored into the economic savings calculation; 22 however, the cost estimate includes a deduction of \$22,265 for the annual cost of replacement service. FD, at 9; Item No. 33, Proposal, at 10. The Postal Service reached this figure by calculating the cost of delivering to an additional 147 boxes and adding 0.25 miles to a route. Item 17, Rural Route Carrier Estimated Cost for Alternative Replacement Service, at 2. By way of explanation, rural carriers are paid based on an evaluation of the route, and many routes can be added before a rural carrier meets an overburdened status. FD, at 5. Deliveries will be added to routes as needed; if all routes have been filled, an auxiliary route would be served by an existing employee. *Id*.

Petitioner Mino contends that savings would be realized if the Ashton Post Office were to remain open and share Melvin Post Office's postmaster. He also states that Ashton has been proactive in limiting the Postal Service's expense exposure by having limited hours and a temporary OIC in charge.<sup>23</sup> The Postal Service notes, however, that there is no program in place to implement such a proposal on a permanent basis at

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Petitioner Verdoorn states: "Why make it harder for our rural carrier who would have to deliver all the mail, PLUS sell stamps and services and deal with some packages? One carrier will probably not be able to handle all of this and then [the Postal Service will] have to pay wages to another worker anyway."
In a presentation given by Petitioner Mino at the community meeting held at Ashton Community Center on May 2, 2011, he states that "[o]verhead [at the Ashton Post Office] is limited as the current facility has been operated on a half-day basis since 2005." He continues that the "rent is affordable and the utilization of temporary staffing has further driven down costs resulting in lowe[r] operating costs." Here, however,, after taking all factors into consideration and evaluating other options, the Postal Service has determined that the advantages of discontinuing the Ashton Post Office outweigh the disadvantages.

this time. The Postal Service further notes that it was appropriate to use a career Postmaster's salary in the calculation as the career position would ultimately have to be filled if the Ashton Post Office had not been identified as a candidate for discontinuance. Furthermore, Petitioner Mino's suggestion does not take into consideration the cost savings realized by not having annual lease costs. Thus, the Postal Service will save the salary and benefits of a career Postmaster position, as well as facility rental costs, on an annual basis.

Petitioners criticize the Postal Service for failing to account for costs borne by customers to travel to other Post Offices. Such costs are not, however, required to be included in the economic savings calculation. In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires that the "economic savings *to the Postal Service*" be factored in the savings calculation. See 39 USC 404(d)(2)A)(iv) (emphasis supplied).

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 11; Item No. 33, Proposal, at 10. The Postal Service determined that carrier service is more effective than maintaining the Ashton postal facility and postmaster position. FD, at 11. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

## **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster was reassigned on August 9, 2006. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility. FD, at 8. The record shows that no other employee would be affected by this closing. FD, at 2, 11; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 10. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Ashton Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

#### Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Ashton Post Office on the provision of postal services and on the Ashton community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A). The Postal Service has weighed pertinent information and correspondence from its patrons in the Ashton community. After taking all factors into consideration and evaluating other options, the Postal Service has determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Ashton customers. FD, at 11. The Postal Service respectfully

submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Ashton Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Ashton Post Office be affirmed.

Respectfully submitted,

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